Protocol Regarding Patient Co-Pays Collection

Purpose

To more effectively collect co-payments and at the same time comply with the applicable regulations and contractual obligations.

TriCare Patients

Co-pays for Tricare must be collected prior to dispensing. At the time of this Protocol, they are $17 and patients should be asked to pay either via credit card or by a check.

Commercial Insurance Patients

For commercial insurance patients, co-pays need to be either collected at the time of service (i.e., prior to dispensing) or, alternatively, billed by delivering an invoice accompanying the dispensed medication. When our patients are inquiring about their co-pays, make sure you tell them that they can pay by credit card or check. If they don't pay at the time of service, we create an A/R account in our pharmacy software system and send them an invoice. In case they are not in the position to pay, explain that we will work with them and accept any installment payment plan they can afford in order to keep their account in good standing. In case they cannot afford to pay anything, explain that they can complete our Application for Copayment Waiver form (attached).

Medicare/Medicaid Patients

For Medicare/Medicaid patients, co-pays should preferably be collected at the time of service. Alternatively, we create an A/R account and send invoices. If the account is not paid, we have to follow the same procedure as provided under Commercial Insurance Patients above.

Creating A/R for Co-Payments Not Collected At the Time of Service

After submitting an online or paper claim, create an account receivable for the patient's co-pay amount in the PK software. This is done by following these steps:

a. Under "Editing Patient" page, go to Tab 4 (Preferences).
Note: Some versions of the PK Software have this function under Tab 2 (Phone/ID).

b. Under "A/R Charge Account," click a box "Has charge account" and then click "New." The system will add an A/R charge account to the patient's name.

c. Click "Save."

d. Go back to "Prescription history."

e. Click "A/R auto charge" at the bottom of the screen. It will open each dispensed transaction requiring a co-pay. Upon clicking on a transaction and charging the patient's A/R account, the system will prompt you to save the file to the patient's A/R account. You can also opt to print an invoice or, simply, save it. Save every charge

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separately (i.e., don't add a new co-pay amount to an existing invoice) so that, if needed, separate invoices can be printed.

Policy on Collection of Co-Payment

Please follow the terms of our Copay Policy which is as follows:

OPS.013 Collection of Co-Payment

POLICY STATEMENT

Co-payment, deductibles, or other amounts that are the patient's responsibility (collectively, "out-of-pocket expenses") under the rules of the Medicare, Medicaid or any other government-sponsored program may not be waived, except on a case-by-case basis upon a determination of financial hardship. With respect to commercial third party payors, the Company shall utilize its best reasonable efforts to comply with the collection of out-of-pocket expenses pursuant to the terms of respective third party payor provider agreements.

A routine waiver of out-of-pocket expenses may be a violation of federal or state law and represents a violation of the Company policy.

PROCEDURE

Co-payment, deductible or other owed amounts may only be waived or reduced (including "insurance only") if all three (3) of the following federal statutory requirements are met:

1. The waiver/discount was not advertised;
2. The waiver/discount is not routinely offered; and
3. The waiver/discount satisfies one of the following:
    a. Is made after determining, in good faith, that the individual has financial hardship, or
    b. Is made after reasonable good-faith efforts to collect the co-payment or deductible or other owed amounts from the patient have failed.

Suggested Forms: *Application for Co-Payment Waiver Form*

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